



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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m/037/088

## FACSIMILE COVER SHEET

DATE: Sept 9, 1999

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TO: Pat Gocknow  
Gocknow & Assoc.

FAX NUMBER: 1-303-770-7564

FROM: Wayne Hedberg

Minerals Reclamation and Development Program

PHONE: (801) 538-5291

FAX: (801) 359-3940

SUBJECT: Revised Bonding Calculations - Lisbon  
Valley m/037/088

REMARKS: original in the mail today.

**Should you encounter any problems with this copy, or do not receive all the pages, please call**

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September 8, 1999

Pat Gochnour  
Gochnour & Associates  
5231 South Quebec  
Greenwood Village, Colorado 80111

Re: Revised Bonding Calculations, Exploration Drilling Proposal, Lisbon Valley Mining Co. LLC  
(Summo USA Corporation), Lisbon Valley Copper Project, M/037/088, San Juan County, Utah

Dear Mr. Gochnour:

We have evaluated your "faxed memo" received September 7, 1999, provided in response to our September 2, 1999 surety estimate for Lisbon Valley Mining Company LLC's August 12, 1999 drilling proposal. You indicate that your company has had extensive drilling experience associated with the Lisbon Valley Copper Project area. You anticipate that only two (2) of the ten (10) proposed drill holes with encounter water.

Accordingly, we have adjusted our surety estimate to reflect appropriate plugging for the two (2) wet holes [refer to R647-2-108.2.12]. The standard Division accepted method for plugging the eight (8) dry holes will be used [refer to R647-2-108.1.11].

The new revised reclamation cost estimate totals \$7,166 (\$4,138 for BLM and \$3,028 for State affected lands). It is assumed that we will be able to hold the joint bond for all the cooperating agencies; however, you will need to seek their independent approvals on the amount and form of the proposed surety before you begin exploration activities on their lands. A separate Reclamation Contract should be completed to accompany the new surety form that will be posted for this exploration project. Please contact Joelle Burns for the appropriate surety forms. Call me if you have additional questions in this regard.

Sincerely,

D. Wayne Hedberg  
Permit Supervisor  
Minerals Reclamation Program

jb  
cc: Bob Prescott, Summo  
Lynn Jackson, BLM  
Will Stokes, SITLA  
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